



Signed and Filed: November 16, 2020

Lewis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

In re:) Bankruptcy Case
PG&E CORPORATION,)) No. 19-30088-DM
- and -)) Chapter 11
PACIFIC GAS AND ELECTRIC COMPANY,)) Jointly Administe
Reorganized Debtors.)) Date: November 1
□ Affects PG&E Corporation)) Time: 11:00 AM ()
□ Affects Pacific Gas and)) Hearing via Zoom
Electric Company)
☒ Affects both Debtors)
* All papers shall be filed in)
the Lead Case, No. 19-30088 (DM).)

ORDER REGARDING MOTIONS (1) TO APPROVE SECURITIES ADR
PROCEDURES AND (2) TO APPLY FRBP 7023

On November 17, 2020, at 11:00 AM via video conference, the court will begin with the Reorganized Debtors' ADR Motion (Dkt. No. 8964). Reorganized Debtors' counsel will have a total of thirty minutes for oral argument, including time for rebuttal. Securities Lead Plaintiff's counsel will also have thirty minutes for oral argument, to be shared as its counsel and

1 counsel for Chevron, MML Investment Advisers and others joining
2 the opposition agree.

3 For the Rule 7023 Motion (Dkt. No. 9152), Securities Lead
4 Plaintiff's counsel will also have a total of thirty minutes for
5 oral argument, including time for rebuttal. Reorganized
6 Debtors' counsel will also have thirty minutes, to be shared as
7 their counsel and counsel for Baupost Group agree.

8 The two motions have been extensively briefed and the court
9 has studied all of the relevant submissions. For that reason the
10 court is limiting the time for oral argument as noted. It
11 prefers to focus the argument on some critical issues.

12 For the ADR motion, counsel should address:

13 1. Why shouldn't certain omnibus objections such as
14 Superseded Claims, Claims Outside of the Subject Period, Claims
15 Liquidated Prior to Corrective Disclosure, be dealt with at the
16 outset, even if some sort of Rule 7023 procedure is ultimately
17 implemented? This could be much like similar omnibus objections
18 have been implemented for non-securities objections in the case.

19 2. Why should the court permit the omnibus objection
20 procedures to apply at all to Failure To Comply With Securities
21 Claims Procedures, Bulk Claims objections or "truth-in-the-
22 Market" defenses at all?

23 3. What assures the court that securities fraud claimants
24 will know and understand the consequences of their choices of
25 acceptance of offers of settlement, the Abbreviated Mediation
26 Process, the Standard Mediation Process, or the Claims
27 Reconciliation and Objection Process? Under a plan, a
28

1 disclosure statement would possibly accomplish that, but not
2 under the proposed ADR procedures.

3 4. How do Reorganized Debtors avoid wasteful and
4 confusing duplication of effort by claimants in responding to
5 the second round of Securities Claims Information Procedures?
6 Why can't the approximately 30% of the claimants be spared the
7 need to submit the same information a second time (See Reply,
8 Dkt. No. 9378, at p. 10)?

9 5. What efficiencies are realized if any significant
10 number of respondents decline the offer or mediation options?

11 For the 7023 Motion:

12 1. The court wants a better understanding of the likely
13 timetable that would be followed for either of the two suggested
14 approaches. What happens and when?

15 2. If the court permits opt-outs from the class, doesn't
16 that exacerbate rather than facilitate the possible efficiency
17 and equal treatment that class actions are intended to promote
18 if any significant number of claimants opt out of the so-called
19 "mandatory" class?

20 3. If the 7023 Motion is granted, what happens to the
21 district court appeal of the prior Rule 7023 order?

22 The court SUSTAINS the Reorganized Debtors' objection to
23 the Reply filed by Chevron (Dkt. No. 9487) as it addresses
24 issues relevant to the 7023 motion, not the ADR Motion, which
25 Chevron did not join or deal with in its initial filing (Dkt.
26 No. 9190).

27 Counsel for the Securities Lead Plaintiff should include in
28 the oral argument in support of the 7023 motion any response the

Reorganized Debtors' motion to strike the Bradt declaration (Dkt. No. 9492-2). Counsel should also advise the court if Reorganized Debtors wish an additional two weeks to respond to that declaration with their own expert declaration.

The court will treat the motion to strike as part of all issues that will stand submitted on both motions after conclusion of the hearing.

****END OF ORDER****